

2007 annual report

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Chairman's report

For year ending 30 June 2007

It gives me pleasure to present my report to Shareholders on this our first full 12 months of operation of the Cobden & Districts Community Finance Limited.

The growth of our business over the last 12 months has been steady and as our customer base continues to grow we keep heading towards the stage where we will become self supporting. We need all shareholders to be customers and advocates of our **Community Bank®** branch so that we reach our goal of being able to assist our community to grow and prosper.

One of benefits of our **Community Bank®** branch is that as we reach set goals, Bendigo Bank provides funds for us to use in a Community Development Fund. Through the Development Fund we were last year able to support the Cobden Technical School, Cobden Primary School, Cobden Football Netball Club, Cobden & District Health Services, Cobden Playgroup, Camperdown Golf Bowls Club, Simpson Indoor Bias Bowles, Cobden Junior Football Club, Cobden Fire Brigade, and of course our major project being the sponsorship and naming rights of the Cobden & District **Community Bank®** Recreation Reserve which is the home of our Football Netball Club, Cricket Club, Tennis Club. The rules of the Development fund are simple, the more we have in deposits and lending, the more money we receive from Bendigo Bank. If ever there was a reason to open an account with the Cobden & District **Community Bank®** Branch then this is as good as it gets.

A special thank you must also go to our dedicated staff, Peter Hall our Branch Manager and our staff Deidre, Helen, Wendy and Cathy. They are the public face of our branch and instrumental in providing and promoting the products and services that our branch offers.

I also would like to thank our voluntary Directors James, Gayle, Margaret, Michael, Stuart, Greg, Don, Andrew, Trevor C, Milton and our new Director taking over after the resignation of Neil, Peter Giblett. They all put so much personal time and effort into making sure that our **Community Bank®** branch is successful. They all have specific roles to play from assisting Peter with his marketing plans to reviewing our Corporate Governance and Business Policy Reviews.

The challenges ahead will never be easy and as previously stated we require assistance from all of our staff, Directors, Shareholders and customers to make sure that the good word of the **Community Bank®** branch and what we stand for is promoted into our community.

With everybody's support and commitment we will then be in a position to achieve our main goal and that is supporting our community.



Trevor J Gardner
Chairman

Manager's report

For year ending 30 June 2007

One year old and still standing. What a wonderful achievement and one I am very proud to be a part of. I implore you to remind all family and friends that we are indeed here for the long haul. If your family and friends haven't already, please encourage them to come in and treat themselves to the **Community Bank®** experience.

I wish to acknowledge and thank staff members Deirdre Harper, Helen Walker, Wendy Brooks and Cathy Umland for their commitment and support. Their endeavours to provide an unparalleled level of customer service to customers and potential customers has been rewarding to all and has hopefully made banking with our branch an enjoyable experience.

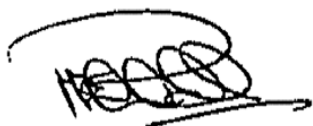
I'd also like to thank Trevor Gardner and the Board of Directors for their continued support. Their efforts to ensure the success of this venture, and their willingness to take on unfamiliar roles and learn on their feet, are a credit to them.

We have been able to provide support throughout the community, with sponsorship and grants being dispensed to local clubs, schools and services. By far the most noticeable support we have provided to this point has been the naming rights of the Cobden Recreation Reserve. This will now be known as the Cobden **Community Bank®** Recreation Reserve and, with ongoing support, projects such as a new playground are now possible.

Other organisations are now becoming aware of the possibilities open to them with grants from our branch and indications are that the community at large is beginning to understand the concept and benefit of Community Banking.

And let's face it: when you understand the concept, why wouldn't you want to transfer your banking and be a part of our success?

Finally, to all of our shareholders and customers. Our branch is only in the position it is because of your support. We will only grow, however, if our customer base continues to grow. Our expansion is dependent on you, as happy customers, to keep Cobden & Districts **Community Bank®** Branch of Bendigo Bank at the forefront of the district's mind. Your assistance and support will ensure the future success of your bank.



Peter Hall
Manager

Directors' report

For year ending 30 June 2007

Your Directors submit the financial report of the Company for the financial year ended 30 June 2007.

Directors

The names and details of the Company's Directors who held office during or since the end of the financial year:

Trevor John Gardner

Chairman
Age: 54
Business Manager

Gayle Patricia Kelson

Secretary
Age: 54
Administration/Support Officer

Stuart James Dawson

Director
Age: 46
Carpenter

Donald Francis Howard

Director
Age: 51
Farmer/Director

Milton John Parlour

Director
Age: 57
Real Estate Agent

Gregory Leigh Suter

Director
Age: 36
Cabinet Maker

Rodney Peter Giblett

Director
Age: 59
Retired
Appointed 16 May 2007

James Alfred Green

Treasurer
Age: 46
Civil Engineer

Trevor John Clarke

Director
Age: 36
Owner/Operator

Michael David Hinkley

Director
Age: 50
Farmer/Contractor

Margaret Emily McDonald

Director
Age: 57
Administration Officer

Andrew Keith Suter

Director
Age: 64
Retired

Neil Shaw Fisher

Director
Age: 82
Retired
Resigned 20 December 2006

Directors' report continued

Directors were in office for this entire year unless otherwise stated.

No Directors have material interests in contracts or proposed contracts with the Company.

Company Secretary

The Company Secretary is Gayle Patricia Kelson was appointed to the position of Secretary on 9th January, 2006. Gayle has no previous Company Secretary experience.

Principal activities

The principal activities of the Company during the course of the financial year were in providing community banking services under management rights to operate a franchised branch of Bendigo Bank Limited.

There has been no significant changes in the nature of these activities during the year.

Operating results

Operations have continued to perform in line with expectations. The profit/(loss) of the Company for the financial year after provision for income tax was:

Year ended	Year ended
30 June 2007	30 June 2006
\$	\$
(157,767)	(113,299)

Dividends

No dividends were declared or paid for the previous year and the Directors recommend that no dividend be paid for the current year.

Significant changes in the state of affairs

In the opinion of the Directors there were no significant changes in the state of affairs of the Company that occurred during the financial year under review not otherwise disclosed in this report or the financial report.

Matters subsequent to the end of the financial year

There are no matters or circumstances that have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company, in future years.

Likely developments

The Company will continue its policy of providing banking services to the community.

Environmental regulation

The Company is not subject to any significant environmental regulation.

Directors' report continued

Directors' benefits

No Director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the Company, controlled entity or related body corporate with a Director, a firm which a Director is a member or an entity in which a Director has a substantial financial interest. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by Directors shown in the Company's accounts, or the fixed salary of a full-time employee of the Company, controlled entity or related body corporate.

Indemnification and insurance of Directors and Officers

The Company has indemnified all Directors and the Manager in respect of liabilities to other persons (other than the Company or related body corporate) that may arise from their position as Directors or Manager of the Company except where the liability arises out of conduct involving the lack of good faith.

Disclosure of the nature of the liability and the amount of the premium is prohibited by the confidentiality clause of the contract of insurance. The Company has not provided any insurance for an Auditor of the Company or a related body corporate.

Directors meetings

The number of Directors meetings attended by each of the Directors of the Company during the year were:

	Number of Board meetings eligible to attend	Number attended
Trevor John Garnder	12	12
James Alfred Green	12	10
Gayle Patricia Kelson	12	10
Trevor John Clarke	12	12
Stuart James Dawson	12	12
Michael David Hinkley	12	10
Donald Francis Howard	12	8
Margaret Emily McDonald	12	11
Milton John Parlour	12	10
Andrew Keith Suter	12	11
Gregory Leigh Suter	12	8
Rodney Peter Giblett (Appointed 16 May 2007)	4	4
Neil Shaw Fisher (Resigned 20 December 2006)	5	4

Directors' report continued

Non audit services

The Company may decide to employ the Auditor on assignments additional to their statutory duties where the Auditor's expertise and experience with the Company are important. Details of the amounts paid or payable to the Auditor (Andrew Frewin & Stewart) for audit and non audit services provided during the year are set out in the notes to the accounts.

The Board of Directors has considered the position, in accordance with the advice received from the audit committee and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for Auditors imposed by the Corporations Act 2001.

The Directors are satisfied that the provision of non-audit services by the Auditor, as set out in the notes did not compromise the Auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed by the audit committee to ensure they do not impact on the impartiality and objectivity of the Auditor;
- none of the services undermine the general principles relating to Auditor independence as set out in Professional Statement F1, including reviewing or auditing the Auditor's own work, acting in a management or a decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risk and rewards.

Auditors' independence declaration

A copy of the Auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 8.

Signed in accordance with a resolution of the Board of Directors at Cobden, Victoria on
11 September 2007.



Trevor John Gardner
Chairman



James Alfred Green
Director

Auditor's independence declaration



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Auditor's Independence Declaration

As lead auditor for the audit of the financial statements of Cobden & Districts Community Finance Limited the year ended 30 June 2007, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b) any applicable code of professional conduct in relation to the audit.

David Hatchings
Auditor
Andrew Frewin & Stewart

Bendigo
11 September 2007

Financial statements

Income statement

For year ending 30 June 2007

	Note	2007 \$	2006 \$
Revenues from ordinary activities	3	105,060	201
Salaries and employee benefits expense		(194,133)	(52,014)
Advertising and promotion expenses		(4,782)	(506)
Occupancy and associated costs		(25,513)	-
Systems costs		(34,313)	-
Depreciation and amortisation expense	4	(9,311)	-
General administration expenses		(61,505)	(109,317)
Profit/(loss) before income tax expense/credit		(224,497)	(161,636)
Income tax expense/credit	5	66,730	48,337
Profit/(loss) for the period		(157,767)	(113,299)
Profit/(loss) attributable to members of the entity		(157,767)	(113,299)
Earnings per share (cents per share)		c	c
- basic for profit for the year	19	(21.76)	(15.76)

The accompanying notes form part of these financial statements.

Financial statements continued

Balance sheet

As at 30 June 2007

	Note	2007 \$	2006 \$
Current assets			
Cash assets	6	162,952	374,133
Trade and other receivables	7	8,498	28,141
Total current assets		171,450	402,274
Non-current assets			
Property, plant and equipment	8	160,622	165,933
Intangible assets	9	8,000	10,000
Deferred tax assets	10	115,067	48,337
Total non-current assets		283,689	224,270
Total assets		455,139	626,544
Current liabilities			
Trade and other payables	11	17,706	41,864
Provisions	12	10,044	5,824
Total current liabilities		27,750	47,688
Total liabilities		27,750	47,688
Net assets		427,389	578,856
Equity			
Contributed equity	13	698,455	692,155
Accumulated losses	14	(271,066)	(113,299)
Total equity		427,389	578,856

The accompanying notes form part of these financial statements.

Financial statements continued

Statement of changes in equity

As at 30 June 2007

	Note	2007 \$	2006 \$
Total equity at the beginning of the financial year		578,856	-
Net income/expense recognised directly in equity		-	-
Net profit/(loss) for the year		(157,767)	(113,299)
Total recognised income & expenses for the year		421,089	(113,299)
Shares issued during period		6,300	718,712
Costs of issuing shares		-	(26,557)
Dividends provided for or paid		-	-
Total equity at the end of the financial year		427,389	578,856

The accompanying notes form part of these financial statements.

Financial statements continued

Statement of cash flows

As at 30 June 2007

	Note	2007 \$	2006 \$
Cash flows from operating activities			
Receipts from customers		90,313	117
Payments to suppliers and employees		(295,739)	(162,773)
Interest received		10,424	88
Net cash outflow from operating activities	15	(195,002)	(162,568)
Cash flows from investing activities			
Payment for intangible assets		-	(10,000)
Payments for property plant and equipment		(22,479)	(145,454)
Net cash outflow from investing activities		(22,479)	(155,454)
Cash flows from financing activities			
Proceeds from issue of shares		6,300	718,712
Payment of share issue costs		-	(26,557)
Net cash inflow from financing activities		6,300	692,155
Net increase/(decrease) in cash held		(211,181)	374,133
Cash at the beginning of the financial year		374,133	-
Cash at the end of the financial year	6(a)	162,952	374,133

The accompanying notes form part of these financial statements.

Notes to the financial statements

For year ending 30 June 2007

Note 1. Summary of significant accounting policies

Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the Corporations Act 2001.

Compliance with IFRS

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial statements and notes comply with International Financial Reporting Standards (IFRS). These financial statements and notes comply with IFRS.

Historical cost convention

The financial report has been prepared under the historical cost conventions on an accruals basis as modified by the revaluation of financial assets and liabilities at fair value through profit or loss and where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

Revenue

Interest and fee revenue is recognised when earned. All revenue is stated net of the amount of Goods and Services Tax (GST). The gain or loss on disposal of property, plant and equipment is recognised on a net basis and is classified as income rather than revenue.

Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable for the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet. Cash flows are included in the statement of cash flows on a gross basis.

The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operation cash flows.

Notes to financial statements continued

Note 1. Summary of significant accounting policies (continued)

Income tax

Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax

Deferred tax is accounted for using the comprehensive balance sheet liability method on temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities reflects the tax consequences that would follow from the manner in which the consolidated entity expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax and when the balances relate to taxes levied by the same taxation authority and the Company/consolidated entity intends to settle its tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in the income statement, except when it relates to items credited or debited to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

Notes to financial statements continued

Note 1. Summary of significant accounting policies (continued)

Employee entitlements

The provision for employee benefits to wages, salaries and annual leave represents the amount which the Company has a present obligation to pay resulting from employees' services provided up to the balance date. The provision has been calculated on undiscounted amounts based on wage and salary rates expected to be paid and includes related on-costs.

The Company contributes to a defined contribution plan. Contributions to employee superannuation funds are charged against income as incurred.

Intangibles

The cost of the Company's franchise fee has been recorded at cost and is amortised on a straight line basis at a rate of 20% per annum.

Cash

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

Comparative figures

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

Property, plant and equipment

Plant and equipment, leasehold improvements and equipment under finance lease are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is provided on property, plant and equipment, including freehold buildings but excluding land. Depreciation is calculated on a straight line basis so as to write off the net cost of each asset over its expected useful life to its estimated residual value. Leasehold improvements are depreciated at the rate equivalent to the available building allowance using the straight line method. The estimated useful lives, residual values and depreciation method is reviewed at the end of each annual reporting period.

The following estimated useful lives are used in the calculation of depreciation:

- | | |
|--------------------------|----------------|
| • leasehold improvements | 40 years |
| • plant and equipment | 2.5 - 40 years |
| • furniture and fittings | 4 - 40 years |

Notes to financial statements continued

Note 1. Summary of significant accounting policies (continued)

Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Payment terms

Receivables and payables are non interest bearing and generally have payment terms of between 30 and 90 days.

Trade receivables and payables

Receivables are carried at their amounts due. The collectability of debts is assessed at balance date and specific provision is made for any doubtful accounts. Liabilities for trade creditors and other amounts are carried at cost that is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.

Borrowings

All loans are initially measured at the principal amount. Interest is recognised as an expense as it accrues.

Provisions

Provisions are recognised when the economic entity has a legal, equitable or constructive obligation to make a future sacrifice of economic benefits to other entities as a result of past transactions of other past events, it is probable that a future sacrifice of economic benefits will be required and a reliable estimate can be made of the amount of the obligation.

A provision for dividends is not recognised as a liability unless the dividends are declared, determined or publicly recommended on or before the reporting date.

Contributed equity

Ordinary shares are recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

Notes to financial statements continued

Note 1. Summary of significant accounting policies (continued)

Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Note 2. Financial risk management

The Company's activities expose it to a limited variety of financial risks: market risk (including currency risk, fair value interest risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the entity. The entity does not use derivative instruments.

Risk management is carried out directly by the Board of Directors.

(i) Market risk

The Company has no exposure to any transactions denominated in a currency other than Australian dollars.

(ii) Price risk

The Company is not exposed to equity securities price risk as it does not hold investments for sale or at fair value. The Company is not exposed to commodity price risk.

(iii) Credit risk

The Company has no significant concentrations of credit risk. It has policies in place to ensure that customers have an appropriate credit history. The Company's franchise agreement limits the Company's credit exposure to one financial institution, being Bendigo Bank Limited.

(iv) Liquidity risk

Prudent liquidity management implies maintaining sufficient cash and marketable securities and the availability of funding from credit facilities. The Company believes that its sound relationship with Bendigo Bank Limited mitigates this risk significantly.

(v) Cash flow and fair value interest rate risk

Interest-bearing assets are held with Bendigo Bank Limited and subject to movements in market interest. Interest-rate risk could also arise from long-term borrowings. Borrowings issued at variable rates expose the Company to cash flow interest-rate risk. The Company believes that its sound relationship with Bendigo Bank Limited mitigates this risk significantly.

Notes to financial statements continued

	2007	2006
	\$	\$

Note 3. Revenue from ordinary activities

Operating activities:

- services commissions	90,654	-
- other revenue	1,354	113
Total revenue from operating activities	92,008	113

Non-operating activities:

- interest received	13,052	88
Total revenue from non-operating activities	13,052	88
Total revenues from ordinary activities	105,060	201

Note 4. Expenses

Depreciation of non-current assets:

- plant and equipment	1,642	-
- leasehold improvements	5,669	-

Amortisation of non-current assets:

- franchise agreement	2,000	-
	9,311	-

Finance costs:

- interest paid	-	40
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Note 5. Income tax expense

The prima facie tax on loss from ordinary activities before income tax is reconciled to the income tax expense as follows:

Operating loss	(224,497)	(161,636)
Prima facie tax on loss from ordinary activities at 30%	(67,349)	(48,491)

Notes to financial statements continued

	2007	2006
	\$	\$

Note 5. Income tax expense (continued)

Add tax effect of:

- non-deductible expenses	600	-
- timing difference expenses	1,613	1,747
- blackhole expenses	(1,594)	(1,593)
Income tax credit on operating loss	(66,730)	(48,337)
Deferred tax asset carried forward	(115,067)	(48,337)

Note 6. Cash assets

Cash at bank and on hand	162,952	374,133
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The above figures are reconciled to costs at the end of the financial year as shown in the statement of cashflows.

6(a) Reconciliation of cash

Cash at bank and on hand	162,952	374,133
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Note 7. Trade and other receivables

Trade receivables	7,288	24,559
Prepayments	1,210	3,582
	8,498	28,141

Note 8. Property, plant and equipment

Plant and equipment

At cost	25,457	25,457
Less accumulated depreciation	(1,642)	-
	23,815	25,457

Leasehold improvements

At cost	142,476	140,476
Less accumulated depreciation	(5,669)	-
	136,807	140,476

Total written down amount	160,622	165,933
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Notes to financial statements continued

	2007 \$	2006 \$
Note 8. Property, plant and equipment (continued)		
Movements in carrying amounts:		
Plant and equipment		
Carrying amount at beginning	140,476	-
Additions	2,000	140,476
Disposals	-	-
Less: depreciation expense	(5,669)	-
Carrying amount at end	136,807	140,476
Leasehold improvements		
Carrying amount at beginning	25,457	-
Additions	-	25,457
Disposals	-	-
Less: depreciation expense	(1,642)	-
Carrying amount at end	23,815	25,457
Total written down amount	160,622	165,933

Note 9. Intangible assets

Franchise fee		
At cost	10,000	10,000
Less: accumulated amortisation	(2,000)	-
	8,000	10,000

Note 10. Deferred tax

Deferred tax asset		
Tax losses - revenue	115,067	48,337

Notes to financial statements continued

	2007 \$	2006 \$
Note 11. Trade and other payables		
Trade creditors	8,549	7,726
Other creditors & accruals	9,157	34,136
	17,706	41,862

Note 12. Provisions

Employee provisions	10,044	5,824
Number of employees at year end	5	5

Note 13. Contributed equity

725,012 Ordinary shares fully paid of \$1 each (2006: 718,712)	725,012	718,712
Less: equity raising expenses	(26,557)	(26,557)
	698,455	692,155

Note 14. Accumulated losses

Balance at the beginning of the financial year	(113,299)	-
Net loss from ordinary activities after income tax	(157,767)	(113,299)
Balance at the end of the financial year	(271,066)	(113,299)

Note 15. Statement of cash flows

Reconciliation of loss from ordinary activities after tax to
net cash provided used in operating activities

Loss from ordinary activities after income tax	(157,767)	(113,299)
Non cash items:		
- depreciation	7,311	-
- amortisation	2,000	-

Notes to financial statements continued

	2007	2006
	\$	\$
Note 15. Statement of cash flows (continued)		
Changes in assets and liabilities:		
- (increase)/decrease in receivables	19,644	(28,141)
- (increase)/decrease in other assets	(66,730)	(48,337)
- increase/(decrease) in payables	(6,585)	21,385
-increase/(decrease) in provisions	7,125	5,824
Net cashflows used in operating activities	(195,002)	(162,568)

Note 16. Auditors' remuneration

Amounts received or due and receivable by the
Auditor of the Company for:

- audit & review services	4,000	2,600
- non audit services	-	-
	4,000	2,600

Note 17. Director and related party disclosures

The names of Directors who have held office during the financial year are:

Trevor John Garnder

James Alfred Green

Gayle Patricia Kelson

Trevor John Clarke

Stuart James Dawson

Neil Shaw Fisher (Resigned 20 December 2006)

Rodney Peter Giblett (Appointed 16 May 2007)

Michael David Hinkley

Donald Francis Howard

Margaret Emily McDonald

Milton John Parlour

Andrew Keith Suter

Gregory Leigh Suter

No Director or related entity has entered into a material contract with the Company. No Director's fees have been paid as the positions are held on a voluntary basis.

Notes to financial statements continued

Note 17. Director and related party disclosures (continued)

Directors shareholdings	2007	2006
Trevor John Garnder	1,001	1,001
James Alfred Green	4,001	4,001
Gayle Patricia Kelson	1,001	1,001
Trevor John Clarke	3,001	3,001
Stuart James Dawson	6,001	6,001
Michael David Hinkley	2,001	2,001
Donald Francis Howard	3,001	3,001
Margaret Emily McDonald	1,001	1,001
Milton John Parlour	2,001	2,001
Neil Shaw Fisher (Resigned 20 December 2006)	6,001	6,001
Rodney Peter Giblett (Appointed 16 May 2007)	-	-
Andrew Keith Suter	6,501	6,501
Gregory Leigh Suter	1	1

There was no movement in Directors shareholdings during the year. Each share held is valued at \$1.

Note 18. Key management personnel disclosures

No Director of the Company receives remuneration for services as a Company Director or Committee member.

There are no Executives within the Company whose remuneration is required to be disclosed.

	2007	2006
	¢	¢

Note 19. Earnings per share

(a) Profit attributable to the ordinary equity holders of the

Company used in calculating earnings per share	(21.76)	(15.76)
--	---------	---------

	2007	2006
	Number	Number

(b) Weighted average number of ordinary shares used as the

denominator in calculating basic earnings per share	725,012	718,712
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Notes to financial statements continued

Note 20. Events occurring after the balance sheet date

There have been no events after the end of the financial year that would materially affect the financial statements.

Note 21. Contingent liabilities

There were no contingent liabilities at the date of this report to affect the financial statements.

Note 22. Segment reporting

The economic entity operates in the service sector where it facilitates community banking services pursuant to a franchise agreement with Bendigo Bank Limited. The economic entity operates in one geographic area being Cobden and surrounding districts, Victoria.

Note 23. Registered office/principal place of business

The registered office and principal place of business is:

Registered office	Principal place of business
37 Curdie Street	37 Curdie Street
Cobden, VIC 3266	Cobden, VIC 3266

Note 25. Financial instruments

Net fair values

The net fair values of financial assets and liabilities approximate the carrying values as disclosed in the Statement of Financial Position. The Company does not have any unrecognised financial instruments at the year end.

Credit risk

The maximum exposure to credit risk at balance date to recognised financial assets is the carrying amount of those assets as disclosed in the Statement of Financial Position and notes to the financial statements.

There are no material credit risk exposures to any single debtor or group of debtors under financial instruments entered into by the economic entity.

Notes to financial statements continued

Note 25. Financial instruments (continued)

Interest rate risk

Financial instrument	Fixed interest rate maturing in											
	Floating interest rate		1 year or less		Over 1 to 5 years		Over 5 years		Non Interest bearing		Weighted average effective interest rate	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	%	%
Financial assets												
Cash assets	26,543	374,133	-	-	-	-	-	-	-	-	0.05	0.05
Desposits at call	136,409	-	-	-	-	-	-	-	-	-	6.27	N/A
Receivables	-	-	-	-	-	-	-	-	4,659	24,559	-	N/A
Financial liabilities												
Payables	-	-	-	-	-	-	-	-	17,706	47,688	-	N/A

Directors' declaration

In accordance with a resolution of the Directors of Cobden & Districts Community Finance Limited, we state that:

In the opinion of the Directors:

- (a) the financial statements and notes of the Company are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Company's financial position as at 30 June 2007 and of its performance for the financial year ended on that date; and
 - (ii) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- (c) the audited remuneration disclosures set out in the remuneration report section of the Directors' report comply with Accounting Standard AASB174 Related Party Disclosures and the Corporations Regulations 2001.

The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer as required by section 295A of the Corporations Act.

This declaration is made in accordance with a resolution of the Board of Directors.



Trevor John Gardner
Chairman



James Alfred Green
Director

Signed 11 September 2007.

Independent audit report



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www.afsbendigo.com.au
ABN 51 061 795 337

INDEPENDENT AUDITOR'S REPORT

To the members of Cobden & Districts Community Finance Limited

We have audited the accompanying financial report of Cobden & Districts Community Finance Limited which comprises the balance sheet as at 30 June 2007, and the income statement, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes and the Directors' Declaration.

Directors Responsibility for the Financial Report

The Directors are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial report so that that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

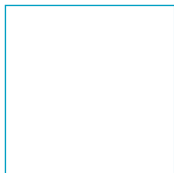
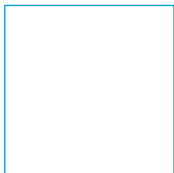
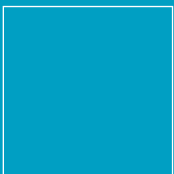
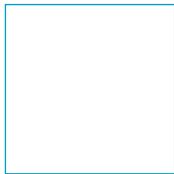
Our audit did not involve an analysis of the prudence of business decisions made by directors or management. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independent Auditor's Opinion

In our opinion, the financial report of Cobden & Districts Community Finance Limited is in accordance with the Corporations Act 2001 including giving a true and fair view of the financial position of Cobden & Districts Community Finance Limited as of 30 June 2007, and of its financial performance and its cash flows for the year then ended and Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

DAVID HUTCHINGS
ANDREW FREWIN & STEWART
61-65 Bull Street, Bendigo, 3550

Dated this 11th day of September 2007



Cobden & Districts **Community Bank**[®] Branch
37 Curdie Street, Cobden, VIC 3266
Phone: (03) 5595 1191 Fax: (03) 5595 1149

Franchisee: Cobden & Districts Community Finance Limited
37 Curdie Street, Cobden, VIC 3266
Phone: (03) 5595 1191 Fax: (03) 5595 1149
ABN 84 117 781 049

www.bendigobank.com.au
Bendigo Bank Limited, The Bendigo Centre, Bendigo, VIC 3550
ABN 11 068 049 178. AFSL 237879. (BMPAR7033) (09/07)

Cobden Districts Community Finance Limited
ABN 84 117 781 049
Additional Annual Report Information

Share information

In accordance with Bendigo Stock Exchange listing rules the Company provides the following information as at 10th September 2007, which is within 6 weeks of this report being sent to shareholders

The following table shows the number of shareholders, broken into various categories showing the total number of shares held.

<u>Number of shares Held</u>	<u>Number of shareholders</u>
1 to 1,000	159
1,001 to 5,000	95
5,001 to 10,000	14
10,001 to 100,000	2
100,001 and over	-
Total shareholders	<u>270</u>

Each of the above shareholders are entitled to 1 vote, irrespective of the number of shares held.

There are no substantial shareholders (holding more than 5% of voting rights) as each shareholder is entitled to 1 vote. Normally holding more than 5% of total issued shares would create a substantial shareholder, but this is not applicable due to the voting restrictions for the Company.

There are 19 shareholders holding less than a marketable parcel of shares (\$500 in value).

There are no restricted securities on issue.

All shares on issue are ordinary shares fully paid to \$1 per share. There are no unquoted equity securities.

The following table shows the 10 largest shareholders.

<u>Shareholder</u>	<u>Number of shares</u>
Mr D & D Gribble	40000
Mr I & C Benallack	10000
Mr I & D Denney	10000
Mr B & M Finlayson	10000
Mrs J Finlayson	10000
Mr L & T Green	10000
Mr F Hodgson	10000
Martillack Holding Pty Ltd	10000
Mr M Newell	10000
Mr F & Y Reid	10000
	<u>130,000</u>

Registered office and principal administrative office

The registered office of the Company is located at:

37 Curdie Street,
CAMPERD VIC 3260
Phone: 03 55951191

The principal administrative office of the Company is located at:

37 Curdie Street,
CAMPERDOWN, VIC 3260
Phone: 03 55951191

Security register

The security register (share register) is kept at:

Level 3, 60 Carrington Street
Sydney, NSW 2000
Phone: 02 8216 5513

Company Secretary

Gayle Kelson has been the Company Secretary of Cobden & Districts Community Financial Services Ltd for 1 year.

Gayle Kelson's qualifications and experience include Admin / Supply Officer at South West Healthcare Camperdown

Corporate governance

The Company has implemented various corporate governance practices, which include:

- (a) The establishment of an audit committee. Members of the audit committee are:
Trevor Gardner, Gayle Kelson, James Green, Milton Parlour, Don Howard, Margaret McDonald, Trevor Clarke, Greg Suter, Andrew Suter, Stuart Dawson, Peter Giblett.
- (b) Director approval of operating budgets and monitoring of progress against these budgets;
- (c) Ongoing Director training; and
- (d) Monthly Director meetings to discuss performance and strategic plans.

Annexure 3A

There are no material differences between the information in the Company's Annexure 3A and the information in the financial documents in its annual report.